

This document may be called **Participant's Membership Document** (hereinafter referred to interchangeably as "scheme or "policy") as defined in the Takaful Rules, 2012.

MARINE CARGO TAKAFUL POLICY

PREAMBLE

This is to acknowledge that the applicant (hereinafter called the 'Participant'), as more fully described in the schedule hereto:

- I. Is accepted as a member of the Participants' Takaful Fund (hereinafter called the 'Fund') operated by The Alfalah Insurance Company Limited (Window Takaful Operations) (hereinafter called the 'Operator').
- II. Being a member of the Fund, he/she is acknowledged as a beneficiary under the attached Indemnity Policy of the Fund, and of the benefits declared by the Fund from time to time under this policy, in accordance with the Waqf Rules governing the Fund.
- III. Subject to the participant continuing as a member of the Fund and complying with his/her undertaking under his/her declaration made in the proposal form, he/she is indemnified by the Fund as one of its beneficiaries against the perils/events described, in the manner and to the extent as stated hereunder.

CONDITIONS PRECEDENT

- i. No payment in respect of any Contribution shall be deemed to be payment to the Operator unless a printed form of receipt for the same, signed by an authorized official of the Operator, shall have been given to the Participant.
- ii. Notwithstanding anything above, cover under this policy shall not commence until the Contribution, as stated in the schedule hereof, has been paid or guaranteed to be paid in the manner as stated in the schedule or as expressly agreed and stated therein.

This Policy and the Schedule shall be read together as one Policy and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such specific meaning wherever it may appear.

This Policy is understood and agreed to be subject to the English Law and practice in so far as it does not contravene any provision of the law and practice of the Shariah and usage as to liability for and settlements of any and all claims where international carriage is involved but for all transits taking place within the territorial limits of Pakistan, the relevant laws of the Islamic Republic of Pakistan shall prevail.

Claims payable by the Settling Agent as stated in the Schedule.

Notwithstanding anything contained herein to the contrary, the amount of indemnification under this Policy in respect of any destruction of or damage to the subject matter of this Policy, shall not exceed the rate able proportion under this Policy having regard to any other policy or certificate, whether Marine or Fire and whether or not such other policy or certificate is exempted from contributing either by the existence of this Policy or any other.

The membership under this document shall be for the period of _____ months. However, the benefits under this document, except Surplus if any, shall cease on the arrival of goods at destination.

TAKAFUL OPERATOR FEES

The Operator shall deduct Operator's fee as per defined ratio approved by Shariah Advisor out of the Contribution received under this policy. Such fee shall be based on the Wakala principle since the Operator hereby acts as a Wakeel of the Fund. The Wakala Fees shall be credited to the Operators Fund and remaining portion shall be remained credited in the Participant Takaful Fund (PTF). The rate of Wakala Fees shall be approved by the Shariah Advisor based on the rating and risk management guidelines of the Window Takaful Operator for each type of Risk.

INVESTMENT MANAGEMENT SHARE

The Operator shall act as a Modarib or Wakeel for the purpose of managing the investment of available fund in the PTF. As such, the Operator stands entitled to a Modarib share or Wakala-tul-Istismar fee in the investment income subject to approval by the Shariah Advisor.

TIMING AND TRANSFER OF FUNDS

- 1- All Contributions recognized under General Takaful contracts, net of any Government levy, shall be credited to the Participant Takaful Funds.
- 2- All Contributions into a Participant Takaful Fund shall be deposited in a bank account designated as belonging to the Participant Takaful Fund or be paid across to such an account within seven days of receipt.
- 3- All income received on assets of a Participant Takaful Fund and receipts from Re-Takaful operators relating to the Participant Takaful Fund shall be deposited in bank accounts designated as belonging to the Participant Takaful Fund or be paid across to such account within seven days of receipt.
- 4- All assets, liabilities, income and expenditure of a General Takaful Operator which do not relate to a Participant Takaful Fund shall be deemed to be part of the Operator's Fund.

SURPLUS DISTRIBUTION

Operator may hold a portion of the surplus

- As a contingency reserve (over and above the technical provisions)
- For meeting solvency level under the Insurance Ordinance, 2000 and Takaful Rules, 2012
- For charity / donations
- The rest of the surplus may be distributed to participants in accordance with the approved Surplus Distribution Mechanism and Policy approved by the Shariah Advisor.
- For this purpose the Commission is also empowered to develop and issue the Surplus Distribution Mechanism for the General Takaful Operator which shall also be complied by the Operator.

IMPORTANT

The Participant(s) should, for his own protection, examine this policy to ascertain whether it is in accordance with his intentions and correctly described, if any error or misdescription is found the same should immediately be intimated to the Operator for correction.

IMPORTANT NOTICE

1. PROCEDURE IN THE EVENT OF LOSS OR DAMAGE FOR WHICH THE PARTICIPANT MAY BE INDEMNIFIED:

I. LIABILITY OF CARRIERS, BAILEES AND/OR OTHER THIRD PARTIES.

It is the duty of the Participant and his Agent(s), in all cases, to take such measures as may be reasonable for the purpose of averting or minimizing a loss and to ensure that all rights against Carriers, Bailees and/or other third parties are properly preserved and exercised. In particular, the Participant or his Agent(s) are required:

- i. To claim immediately the Carriers, Port Authorities or other Bailees for any package that is missing or that cannot be found.
- ii. To apply immediately for survey in the docks by Carriers' or other Bailees' representative(s) if any loss or damage be apparent or for any package discharged defective and to claim on the Carriers or other Bailees for any loss or damage found at such survey.
- iii. To ensure that the container(s) and its/their seal(s) is/are examined immediately by their responsible official(s), when delivery is made by container(s). If container(s) is/are delivered in damaged condition or with seals broken or missing or with seal numbers different from seal numbers as stated in the shipping documents, to check the delivery receipt accordingly and retain all defective or irregular seal(s) for subsequent identification.
- iv. Not to give clean receipts in any circumstances where goods are in doubtful condition.
- v. To give notice in writing to the Carriers' representative(s) or other Bailees' within three days of delivery of the loss or damage if the same was not apparent at the time of taking delivery and to make prompt arrangements for survey to be held.

NOTE: The consignees or their Agents should make themselves familiar with the regulations of the Port Authorities at the Port of discharge.

II. SURVEY AND CLAIM SETTLEMENT

- i. In the event of loss or damage which may involve a claim under this Policy/Certificate, immediate notice of such loss or damage should be given to the Operator and a survey report be obtained from an approved surveyor/loss adjuster or Operator's representative as stated in the Policy.
- ii. In the event of any claim arising under this Policy/Certificate, request for settlement should be made to the representative(s) as aforementioned who is/are authorized to adjust and settle claims on behalf of the Operator.

III. DOCUMENTATION OF CLAIM

Any claim under this Policy should be submitted without delay, accompanied by all available supporting documents, including where applicable:

- i. Original Marine Cargo Takaful Policy or Certificate.
- ii. Original or copy of shipping/commercial invoices together with shipping specifications and/or weight notes.
- iii. Original Bill of Lading and/or other contract of carriage.
- iv. Survey report or other documentary evidence to show the extent of the loss or damage.
- v. Landing account and Weight Notes at final destination.
- vi. Truck receipt / Railway receipt / Consignment Note.
- vii. Bill of entry / Shipping bill.
- viii. Correspondence exchanged with the carriers and other parties regarding their liability for the loss or damage.
- ix. Any other documents / information deemed necessary for settlement of the claim.

NOTE:

- i. In the event of duty and other taxes being covered under this Policy/Certificate, it is warranted that no claim shall attach in respect of such duty and / or taxes unless such duty and / or taxes are actually paid by the Participant and are not refundable.
- ii. Where any covered items consist of articles in a pair or in set, the Participant shall not be indemnified for more than the value of any particular part(s) which may be lost or damaged without reference to any special value which such article or articles may have as a part of such pair or set, nor more than a proportionate part of the covered value of the pair of set(s).
- iii. Failure to comply with the above instructions will prejudice any claim under this Policy/Certificate.

2. DANGEROUS DRUGS CLAUSE

It is understood and agreed that no claim under this Policy/Certificate will be paid in respect of drugs to which the various International Conventions relating to Opium and other dangerous drugs apply unless:

- i. the drugs shall be expressly declared as such in this Policy/Certificate and the name of the country from which, and the name of the country to which they are consigned shall be specifically stated in the Policy/Certificate; and
- ii. the proof of loss is accompanied either by a license, certificate or authorization issued by the government of the country to which the drugs are consigned showing that the importation of the consignment into that country has been approved by that government or, alternatively, by a license, certificate or authorization issued by the government of the country from which the drugs are consigned showing that the export of the consignment to the destination stated has been approved by that government; and
- iii. The route by which the drugs were conveyed was usual and customary.

3. NIL/WRONG/OBLITERATED MARKS CLAUSE

Warranted that the risk of non-delivery covered by this Policy/Certificate is subject to under notes:

- i. Notwithstanding anything contained in the Short Landing Report/Certificate issued by the Karachi Port Trust/Port Qasim the Participant and his Agent(s) shall not refuse to accept the offer if any, made by the carriers of goods contained in package(s) landed from the ship under NIL/WRONG/OBLITERATED marks, unless such goods are proved to be of a nature and specification materially different from what is mentioned in the relevant invoice.
- ii. By reference to Para (i) above the Participant and his Agent(s) shall, for the purpose of proving that the goods offered by the carriers are materially different from the specifications mentioned in the relevant invoice(s) apply forthwith to the carriers, under advice to the Operator, for joint survey relating to or in connection with or otherwise of the goods with the relevant invoice(s).

Provided that in the event of carriers' refusal to arrange joint survey for the purpose as aforesaid, the Participant and his Agent(s) shall notify in writing to the carriers the date, time and place fixed for survey by the surveyors nominated by the Operator and request the carriers at the same time to depute their representative to be in attendance at the time of survey.

Provided further that the aforesaid formalities shall be completed by the Participant or his Agent(s) within 30 days of the date of carrier's letters offering the package(s) under NIL marks.

- iii. The Participant and his Agent(s) shall furnish to the Operator Surveyor's Report referred to in paragraph 2 (ii) above and other related documents as may be required by the Operator, at least 60 days in advance of the time when the right of action against the carriers would become barred by statute.
- iv. The Participant and his Agent(s) shall forward to the Operator, copies of all letters relating to their claim written to and received from the carriers, bailees and other third parties, immediately after such letters are sent or received by the Participant and/or his Agent(s).